

that the taxpayer is entitled to make the election.

(b) *Special rules for reduced investment credit in lieu of basis adjustment*—(1) *Appropriate return.* For purposes of section 48(q) of the Code and paragraph (a) (2)(i)(A) and (3) of this section the term “income tax return for the taxable year for which the election is effective” with respect to any property is the tax return for the taxable year in which such property is placed in service, or in the case of property to which an election under section 46(d) (relating to qualified progress expenditures) applies, the appropriate return is the return for the first taxable year for which qualified progress expenditures were taken into account with respect to such property.

(2) *Applicability of election.* In general, the election under section 48(q) is applicable to periods beginning after December 31, 1982 under rules similar to the rules of section 48(m) of the Code. However, the election does not apply to property excepted by section 205(c)(1)(B) of the Act.

(c) *Election by a reinsurer to make installment payments of taxes owed resulting from the repeal of section 820.* This paragraph applies to the election by an insurance company provided under section 256(e) of the Act. A reinsurer that is a calendar year tax-payer shall be considered to have made an election under section 256(e) of the Act if by March 15, 1983 it files its income tax return (or an application on Form 7004 for an automatic extension of time to file its income tax return), with the statement required to be filed under this paragraph attached and, unless the reinsurer is making a further election under section 256(e)(2)(B) of the Act, pays one-third of the amount described in section 256(e)(1) of the Act by March 15, 1983. A reinsurer making an election under section 256(e)(2)(B) of the Act must pay one-sixth of the amount described in section 256(e)(1) of the Act by March 15, 1983 and one-sixth of such amount by June 15, 1983. The statement required to be filed under this paragraph shall—

(1) Contain the name, address, and tax-payer identification number of the corporation,

(2) Identify the election as an election under section 256(e) of the Act, and section 256(e)(2)(B) if applicable, and

(3) Provide all information necessary to show the taxpayer is entitled to make the election.

For provisions relating to the use of authorized financial institutions in depositing the taxes, see § 1.6302-1.

(d) [Reserved]

(e) *Additional information required.* If later regulations issued under the section of the Code or Act under which the election was made require the furnishing of information in addition to that which was furnished with the statement of election and an office of the Internal Revenue Service requests the taxpayer to provide the additional information, the taxpayer shall furnish the additional information in a statement filed with that office of the Internal Revenue Service within 60 days after the request is made. This statement shall also—

(1) Contain the name, address, and taxpayer identification numbers of all parties identified in connection with the election,

(2) Identify the election by reference to the section of the Code or Act under which the election was made, and

(3) Specify the scope of the election.

If the additional information is not provided within 60 days after the request is made, the election may, at the discretion of the Commissioner, be held invalid.

(f) *Effective date.* This section applies to elections made after September 3, 1982.

[T.D. 7870, 48 FR 1486, Jan. 13, 1983. Redesignated by T.D. 8435, 57 FR 43895, Sept. 23, 1992, as amended by T.D. 8952, 66 FR 33832, June 26, 2001]

§ 301.9100-6T Time and manner of making certain elections under the Deficit Reduction Act of 1984.

(a) *Miscellaneous elections*—(1) *Elections to which this paragraph applies.* This paragraph applies to the following elections provided under the Deficit Reduction Act of 1984 (the Act):

Section of act	Section of code	Description of election	Availability of election
31(a) and 31(g)(16).	168(j)(4)(E)(ii)	Election by certain 501(c)(12) organizations to be treated as taxable organizations and to have certain arbitrage profits taxed.	Generally for property placed in service after May 23, 1983, or leased after such date.
31(f)	46(e)(4)(C)	Election by section 593 organizations not to apply section 46(e)(4)(A).	Generally for property placed in service after Nov. 5, 1983, or leased after such date.
41(a)	1282(b)(2)	Election to have section 1281 apply to all short-term obligations acquired on or after the first day of the first taxable year to which the election relates (but not to obligations acquired before July 19, 1984).	Taxable years ending after July 18, 1984, with respect to obligations acquired after such date.
41(a)	1283(c)(2)	Election to have section 1283(c)(1) not apply to all obligations acquired on or after the first day of the first taxable year to which the election relates (but not to obligations acquired before July 19, 1984).	Do.
113	48(r)	Election by all persons having an ownership interest in a sound recording to treat such recording as 3-yr. recovery property.	Property placed in service after Mar. 15, 1984.
211	806(d)(4)	Election with respect to loss from operations of member of group.	Taxable years beginning after Dec. 31, 1983.
211	807(d)(4)(C)	Election to use preceding year's interest rate for nonannuity reserves.	Taxable years beginning after Dec. 31, 1983.
211	810(b)(3)	Election to forgo carryback period by life insurance companies.	Losses from operations for taxable years beginning after Dec. 31, 1983.
216(c)(1) .....	.....	Election not to have reserves recomputed	First taxable year beginning after Dec. 31, 1983.
216(c)(2) .....	.....	Election to use adjusted statutory reserves for certain contracts.	Generally for contracts issued after 1983 and before 1989 by certain companies that make an election under sec. 216(c)(1) of the act.
217(i) .....	.....	Election to treat individual noncancellable accident and health contracts as cancellable.	First taxable year beginning after Dec. 31, 1983.
217(l)(2)(B) .....	.....	Treatment of losses from certain guaranteed interest contracts.	Taxable years beginning after Dec. 31, 1983, and before Jan. 1, 1988.
431(e)(2)	46(c) (8) and (9), 48(d)(6), 47(d) (1) and (2).	Election to apply the investment tax credit at risk rules as modified by the Tax Reform Act of 1984 to all transactions covered by sec. 211(f) of the Economic Recovery Tax Act of 1981.	Generally to property placed in service between Feb. 18, 1981, and July 19, 1984.
712(l)(7)(B)	304	Election to apply certain technical corrections of sec. 304 to all transfers covered by the changes made to sec. 304 by the Tax Equity and Fiscal Responsibility Act of 1982.	Stock acquired after Aug. 31, 1982, and before June 19, 1984.
712(l)(7)(C)(ii) ..	304	Election with respect to bank holding companies to apply certain technical corrections of sec. 304 to stock acquired after June 18, 1984.	Generally to transfers to bank holding companies formed pursuant to application filed with Federal Reserve Board before June 18, 1984.
1066	163(d)	Elections to treat certain income from S corporations, for purposes of sec. 163(d), as such income would have been treated prior to the Subchapter S Revision Act of 1982.	With respect to S corporation taxable years beginning in 1983 or 1984.
1078 .....	.....	Election to exclude from gross income payments from U.S. Forest Service as result of restricting motorized traffic in the boundary waters canoe area.	Payments in taxable years beginning after Dec. 31, 1979.

(2) *Time for making elections*—(i) *In general.* Except as otherwise provided in this paragraph (b)(2), the elections specified in paragraph (a)(1) of this section shall be made by the later of—

(A) The due date (taking extensions into account) of the tax return for the first taxable year for which the election is to be effective, or

(B) April 15, 1985 (in which case the election generally must be made by amended return).

(ii) *No extension of time for payment.* Payments of tax due shall be made in accordance with chapter 62 of the Code.

(iii) *Time for making certain life insurance company elections*—(A) *Election to use preceding year's interest rate for nonannuity reserves.* The election under

section 807(d)(4)(C) to use the preceding year's interest rate for non-annuity reserves applies on a contract-by-contract basis. For contracts issued before the first day of the first taxable year beginning after December 31, 1983, the election shall be made by the due date (including extensions) of the income tax return for the first taxable year beginning after December 31, 1983. For contracts issued on or after the first day of the first taxable year beginning after December 31, 1983, the election shall be made by the due date (including extensions) of the income tax return for the taxable year in which the contract is issued.

(B) *Election not to have reserves recomputed.* The election under section 216(c)(1) of the Act not to have reserves recomputed shall be made by the due date (including extensions) of the income tax return for the first taxable year beginning after December 31, 1983.

(C) *Election to use adjusted statutory reserves for certain contracts.* The election under section 216(c)(2) of the Act to use adjusted statutory reserves for certain contracts may be made only by life insurance companies that make an election under section 216(c)(1) of the Act and that meet the other requirements of section 216(c)(2). The election, if made, applies to all contracts issued on or after the first day of the first taxable year beginning after December 31, 1983, and before January 1, 1989. The election shall be made by the due date (including extensions) of the income tax return for the first taxable year beginning after December 31, 1983.

(D) *Election to treat individual non-cancellable accident and health contracts as cancellable.* The election under section 217(i) of the Act to treat individual non-cancellable accident and health contracts as cancellable shall be made by the due date (including extensions) of the income tax return for the first taxable year beginning after December 31, 1983.

(E) *Treatment of losses from certain guaranteed interest contracts.* The election under section 217(1)(2)(B) of the Act with respect to the treatment of losses from certain guaranteed interest contracts shall be made by the due date (including extensions) of the in-

come tax return for the first taxable year beginning after December 31, 1983.

(iv) *Time for making the election to exclude from gross income payments received from the U.S. Forest Service as a result of the restriction of motorized traffic in the Boundary Waters Canoe Area.* Elections under section 1078 of the Act shall be made by the later of the expiration of the period for making a claim for credit or refund of the tax imposed by chapter 1 of the Code for the taxable year in which the reinvestment of the payment occurred, or July 18, 1985. Amended returns for years after the year for which the election is made must be filed if making this election affects the tax liability for such years.

(3) *Manner of making elections*—(i) *In general.* The elections specified in paragraph (a)(1) of this section shall be made by attaching a statement to the tax return for the taxable year in which the election is made. If because of paragraph (a)(2)(i)(B) the election may be filed after the due date of the tax return for the first taxable year for which the election is to be effective, such election must be attached to a tax return or amended return for the taxable year to which the election relates. Except as otherwise provided in the return or in the instructions accompanying the return for the taxable year, the statement shall—

(A) Contain the name, address, and taxpayer identification number of the electing taxpayer,

(B) Identify the election,

(C) Indicate the section of the Code (or, if the provision is not codified, the section of the Act) under which the election is made,

(D) Specify, as applicable, the period for which the election is being made and/or the property or other items to which the election is to apply, and

(E) Provide any information required by the relevant statutory provisions and any information necessary to show that the taxpayer is entitled to make the election.

(ii) *Special rules for making the election with respect to sound recordings.* The election under section 48(r), as amended by section 113 of the Act, shall be made separately for each sound recording and must be made by all persons having an ownership interest in the

sound recording. In the case of an ownership interest held by a partnership or an S corporation, the partnership or S corporation shall make the election. Each person making the election shall do so in accordance with paragraph (a)(2) and (3) of this section, and shall identify in the statement described in paragraph (a)(3) of this section the persons with ownership interests in the sound recording, and shall state that each such person is making the election with respect to that sound recording.

(iii) *Special rules for making the election with respect to redemption through use of related corporations.* For either election available under section 712(l)(7) of the Act (relating to redemptions through related corporations) to be effective, such election must be made jointly by both the issuing and acquiring corporations. The election is made jointly when both the issuing and acquiring corporations make the election in accordance with paragraph (a)(2) and (3) of this section.

(iv) *Special rules for making the election for investment tax credit at risk rules.* The election under section 431(e)(2) of the Act is made by filing an amended return for the first taxable year ending after February 18, 1981, during which taxable year property, to which the amendments made by section 211(f) of the Economic Recovery Tax Act of 1981 apply, was placed in service. If that taxable year is a closed year, the election is made by filing an amended return for the first succeeding open taxable year, but in such event this election can be made only if the aggregate amount of the investment tax credit that would have been allowable in the closed years had the election been effective for those years is greater than or equal to the amount of the investment tax credits actually claimed in the closed years. In the case of partnerships and S corporations, the election under section 431(e) is made, respectively, at the partner or the shareholder level. Any election made under section 431(e) shall apply to all property of the taxpayer to which the amendments made by section 211(f) of the Economic Recovery Tax Act of 1981 apply. Amended returns must be filed

for any year the tax liability for which is affected by making this election.

(v) *Special rules for certain elections by life insurance companies—(A) Election with respect to loss from operations of member of group.* Any life insurance company that makes an election under section 806(d)(4) must include on the statement described in paragraph (a)(3) of this section the name, address and taxpayer identification number of the members of the controlled group that did not file a consolidated return with the life insurance company for the taxable year to which the election applies, the amount of loss subject to the limitation provided by section 806(d)(4)(B), and a computation showing how such amount was derived.

(B) *Election to use preceding year's interest rate for non-annuity reserves.* If the election under section 807(d)(4)(C) is not made for all non-annuity contracts issued by the life insurance company before the end of the taxable year in which the election is made, the company must reasonably identify, in the statement described in paragraph (a)(3) of this section, the contracts or groups of contracts for which the election is made. The statement, however, need not specify each individual contract for which the election is made.

(4) *Revocation.* The elections under Act sections 31(a), 31(g)(16), 31(f), 113, 211 (Code section 810(b)(3)), 216(c) (1) and (2), 217(l), 431(e)(2), and 712(l)(7) (B) and (C)(ii) are irrevocable. Elections under Act sections 41(a) (Code sections 1282(b)(2) and 1283(c)(2)), 211 (Code sections 806(d)(4), and 807(d)(4)(C)), 217(i), 1066, and 1078 are revocable only with the consent of the Commissioner. A revocation under Act section 211 (Code section 807(d)(4)(C)) shall be treated as a change in basis of computing reserves that is subject to the adjustment provided in section 807(f) of the Code.

(b) *Election of an alternate valuation of an estate.* This paragraph applies to the election of alternate valuation of the estate of a decedent under section 2032(d) of the Code, as amended by section 1024 of the Act.

(1) *Time and manner of making election.* For decedents dying after July 18, 1984, the election specified in this paragraph (b) shall be made on the estate tax return required to be filed under section

6018(a). However, no election shall be allowed unless made on a return filed within one year of the due date (including extensions) of such return. Once a return that fails to make the election is filed, this election may not be made on a subsequent return unless the subsequent return is filed by the due date (including extensions) of the original return.

(2) *Transition rule for decedents dying before July 19, 1984*—(i) *In general.* In the case of a decedent dying before July 19, 1984, the provisions of paragraph (b)(1) of this section shall apply if:

(A) The period of limitations for claiming a refund of the tax imposed by chapter 11 of the Code remained open on July 18, 1984,

(B) The estate of the decedent would have been eligible to elect alternate valuation under section 2032 had the decedent died after July 18, 1984, and

(C) The executor files a claim for refund before October 17, 1984.

(ii) *Special rule where tax has not been paid.* For cases in which the estate tax attributable to the failure to make a section 2032 election on a timely filed return has not been paid, the executor may meet the requirements of paragraph (b)(2)(i)(C) of this section—

(A) For cases pending in the Tax Court, by requesting the benefits of this transition rule either in a motion or other appropriate document filed with the Tax Court or by incorporation of such benefits into a decision document before October 17, 1984,

(B) For other cases where the executor filed a return (other than a timely filed return) making a section 2032 election, by notifying the district director of the office where such return was filed before October 17, 1984; and

(C) Where the executor has not filed an estate tax return making the section 2032 election, by filing such an estate tax return and making the election thereon before October 17, 1984.

(iii) *Election treated as if made on a timely filed return.* In any case in which this transition rule applies, the estate shall be treated as if it had made a section 2032 election on a timely filed estate tax return.

(c) *Church or qualified church-controlled organization's election of exemption from social security taxes under*

chapter 21—(1) *In general.* This paragraph applies to the election under section 3121(w) of the Code, as added by section 2603(b) of the Act, by a church or qualified church-controlled organization (as defined in section 3121(w)(3)) that service performed in the employ of such church or organization shall be excluded from employment for purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code. Any election made under section 3121(w) shall apply to all services performed on or after January 1, 1984, by employees of such church or organization (whether or not they were employees on that date or on the date the election is made). Employees of the electing church or organization are subject to the provisions of chapter 2 of the Code (relating to the tax on self-employment income) as amended by section 2603 (c)(2) and (d)(2) of the Act for service performed for such church or organization on or after January 1, 1984.

(2) *Time for making the election.* Any election under section 3121(w) by a church or qualified church-controlled organization for which a quarterly employment tax return for the tax imposed under section 3111 is due (or would be due but for the election) on October 31, 1984, must be made on or before October 30, 1984. Any election under section 3121(w) by a church or organization for which the first quarterly employment tax return for the tax imposed under section 3111 is due (or would be due but for this election) after October 31, 1984, must be made on or before the day before the first date that such tax return would be due from the church or organization (disregarding any extension of such due date). A purported election filed after the date prescribed in this paragraph (c)(2) shall be void.

(3) *Manner of making the election.* To make an election under section 3121(w), a church or qualified church-controlled organization must certify that it is opposed for religious reasons to the payment of the tax imposed by section 3111 (relating to the employer tax) of the Code. The election and certification are made by executing and filing Form 8274 in accordance with the form and its instructions. The form shall be

signed by an official authorized to sign tax returns for the church or organization. Where tax imposed by section 3111 is reported (or would be reported but for this election) with respect to more than one church or organization on a single quarterly employment tax return, and the election under section 3121(w) is made, then all of the churches and organizations covered by the last such return filed before such election was made for which the time for making the election has not expired shall be covered by the election unless specifically excluded by stating such exclusion in the election.

(4) *Refunds of FICA taxes paid.* Where a church or qualified church-controlled organization makes a timely election under section 3121(w), a refund, without interest, shall be made to such church or organization of any taxes paid under sections 3101 and 3111 with respect to service performed after December 31, 1983, covered by the election. However, the refund will be made only if the church or organization agrees on its claim for the refund to pay to each employee covered by the election the portion of the refund attributable to the tax imposed on the wages of the employee by section 3101. The employee may not receive any other refund of such taxes. The claim for refund shall be made by the church or organization by filing Form 843 with the service center where the Form 941 on which the taxes subject to refund was filed. Form 843 shall be executed in accordance with the form and its instructions, and also in accordance with the instructions to Form 8274 that relate to Form 843.

(5) *Irrevocability of election except by Commissioner.* An election under section 3121 shall be irrevocable by the electing church or organization. The Commissioner, however, shall permanently revoke the election if the church or organization fails to furnish the information required under section 6051 to the Internal Revenue Service for a period of 2 years or more and also fails to furnish such information within 60 days after a written request therefor is made by the Internal Revenue Service.

(d) *Election to issue taxable student loan bonds.* This paragraph applies to the election by an issuer to issue tax-

able student loan bonds under section 625(c) of the Act. The election is available for obligations issued after December 31, 1983, and is made by filing a statement and necessary attachments with the Internal Revenue Service Center, Philadelphia, PA 19255, prior to the issuance of such taxable bonds. The statement shall identify the election as made under section 625(c) of the Tax Reform Act of 1984 and shall contain the name, address and taxpayer identification number of the issuer, and the total purchase price, face amount and interest rate of the issue, bond issuance costs, amounts allocated to reasonably required reserve or replacement funds, and the date of issue. The issuer shall attach to the statement of election a copy of previous Internal Revenue Service correspondence relating to the tax exempt status of the issuing authority and a statement containing the total purchase price, face amount, interest rate, bond issuance costs, amounts allocated to reasonably required reserve or replacement funds, and the date of issuance of outstanding tax exempt issues of student loan bonds of the issuer. With respect to outstanding tax exempt issues of student loan bonds of the issuer issued after December 31, 1982, the issuer may alternatively attach copies of the Form 8038 filed with respect to such issues. Each taxable student loan bond must state on its face that the interest paid on such bond is subject to federal income taxation. An election with respect to an issue is irrevocable once made.

(e) [Reserved]

(f) *Election not to claim the credit for alcohol used as fuel.* The election under section 40(f) (as added by section 474(k) of the Act) not to claim the alcohol fuels credit is available for taxable years beginning after December 31, 1983, and shall be made for the taxable year in which such credit is determined by not claiming such credit on an original return or amended return at any time before the expiration of the 3-year period beginning on the last date prescribed by law for filing the return for the taxable year (determined without regard for extensions). The election

may be revoked within the 3-year period by filing an amended return and claiming the credit on the return.

(g) *Protective election to adopt LIFO method*—(1) *Time for making the election.* A protective election in connection with the enactment of section 95 of the Act to adopt the LIFO method of accounting for inventory under section 472 of the Code can only be made for the taxpayer's first taxable year beginning after July 18, 1984, and must be made on or before the due date (including extensions) of the tax return for such taxable year. Once made, the election is irrevocable unless the Commissioner authorizes the use of another inventory method (see § 1.472-5).

(2) *Manner for making a protective election.* The protective election is made by completing all line items on a current Form 970 and indicating that the election is a protective election filed in connection with the enactment of section 95 of the Tax Reform Act of 1984. The Form 970 must be attached to the taxpayer's income tax return for the taxable year for which the protective election is made. The LIFO method adopted under the protective election must be consistent in all respects with the taxpayer's LIFO method used in the taxpayer's most recently completed taxable year for which the LIFO method was used. In completing the current Form 970, the taxpayer shall specify the method of inventory valuation that the taxpayer would have used, the opening LIFO inventory for the taxable year for which the protective election is made, and the section 481 adjustment that would be required, as if the taxpayer were not on the LIFO method for the taxable year immediately preceding the taxable year for which the protective election is made.

(h) *Election by an estate or trust to recognize gain or loss on the distribution of property (other than cash) to a beneficiary.* This paragraph applies to the election made by a trust or estate to recognize gain or loss on the distribution of property (other than cash) to a beneficiary under section 643(d) of the Code as amended by section 81 of the Act. The election is available for distributions made after June 1, 1984, in taxable years ending after such date.

The election must be made by the fiduciary who is required to make the return of the estate or trust under section 641 and § 1.641(b)-2. The election shall be made by such fiduciary on the tax return of the estate or trust for the taxable year with respect to which the distribution of property was made and must be filed by the due date (including extensions) of such return. Until the Form 1041, U.S. Fiduciary Income Tax Return is revised, the election should be made by including the gain or loss on the Schedule D (or other appropriate schedule, if applicable) of the Form 1041 and attaching the statement described in paragraph (a)(3) of this section to the tax return on which the election is made and including on that statement the name and taxpayer identification number of the distributee. For distributions made after June 1, 1984, and before July 18, 1984, the election must be filed by the later of the due date (including extensions) of the tax return of the estate or trust for the taxable year with respect to which the distribution was made or January 1, 1985. For those distributions, the fiduciary may make the election in the manner described above on a tax return, or amended return, for the year with respect to which the distribution was made. An election under section 643(d) may be revoked only with the consent of the Commissioner. The request for revocation of an election should be made by the fiduciary in the form of a ruling request and must contain the information required by regulations and revenue procedures pertaining thereto.

(i) *Election to treat a stapled foreign entity as a subsidiary.* This paragraph applies to the election, provided under section 136(c)(6) of the Act, to treat a foreign corporation which was a stapled entity with a domestic corporation as of June 30, 1983, as being owned (to the extent of its stapled interests) by the domestic corporation with which it is stapled. This treatment, if so elected, is in lieu of the treatment prescribed in section 269B(a)(1) of the Code, as added by the Act. This election may be made by the domestic corporation with which the foreign entity is stapled. The election may not be

made by the foreign entity or by shareholders of the domestic corporation. This election must be made no later than January 14, 1985, and may be revoked only with the consent of the Commissioner. This election shall be effective after December 31, 1986. The domestic corporation shall make this election by filing with the service center with which the domestic corporation files its income tax return a statement that—

(1) Contains the name, address, and taxpayer identification number of the domestic corporation,

(2) Identifies the election as made under section 136(c)(6) of the Tax Reform Act of 1984, and,

(3) Identifies the foreign entity and the interests in the foreign entity which constitute stapled interests with respect to the stock of the domestic corporation, and specifies the date on which those interests became stapled interests.

If this election is not made, the foreign corporation (interests in which were stapled interests as of June 30, 1983) will be treated as a domestic corporation, effective January 1, 1987, under section 269B(a)(1) of the Code.

(j) *Election to treat certain section 1248 amounts as included in gross income under section 951(a)(1)(A).* This paragraph applies to the elections, provided under section 133(d)(3) of the Act, to treat amounts included in the gross income of any person as a dividend by reason of section 1248 (a) or (f) after October 9, 1975, and before July 19, 1985, as an amount included in the gross income of such person under section 951(a)(1)(A). The election with respect to transactions to which section 1248(a) applies may be made by the foreign corporation described in section 1248(a) (or its successor in interest). The election with respect to transactions to which section 1248(f) applies may be made by the domestic corporation described in section 1248(f)(1) (or its successor in interest). Neither election may be made by an affected shareholder of any such corporation (unless the shareholder is the successor in interest). This election must be made no later than January 14, 1985, and shall apply with respect to all transactions to which section 1248 (a) or (f) applies

that occurred after October 9, 1975, and before July 19, 1984. Once made, the election may be revoked only with the consent of the Commissioner. A foreign corporation shall make this election by filing the statement described in this paragraph with the Internal Revenue Service Center, Philadelphia, PA 19255. A domestic corporation shall make this election by filing the statement described in this paragraph with the service center with which the domestic corporation files its income tax return. In either case, the statement shall—

(1) Contain the name, address, and taxpayer identification number (if any) of the corporation making the election,

(2) Identify the election as made under section 133(d)(3) of the Tax Reform Act of 1984, and

(3) Identify all of the transactions (including the date of each transaction), shareholders involved in those transactions, and amounts to which the election applies.

(k) *Special election for computing investment company taxable income.* This paragraph applies to the election by a regulated investment company provided under section 1071(b) of the Act, which added section 852(b)(2)(F) to the Code. Under section 852(b)(2)(F), the taxable income of a regulated investment company shall be computed without regard to section 454(b) (relating to short-term obligations issued on a discount basis) if the company so elects. The election may be made only for taxable years beginning after December 31, 1978. A regulated investment company shall make the election by computing taxable income without regard to section 454(b) on its return for the first taxable year for which it desires the election to apply and shall attach the statement described in paragraph (a)(3) of this section to the return on which the election is made. A regulated investment company shall make the election by the time set forth in paragraph (a)(2) of this section. Once made, the election applies to the first taxable year for which it is made and to all subsequent taxable years and cannot be revoked without the consent of the Commissioner.

(l) *Election of extension of time for payment of estate tax for interests in certain holding companies.* An election under

section 6166(b)(8), as added by section 1021(a) of the Act, or under section 1021(d)(2) of the Act, shall be made by including on the notice of election under section 6166 required by § 20.6166-1(b) a statement that an election is being made under section 6166(b)(8) or section 1021(d)(2) of the Act (whichever is applicable) and the facts which formed the basis for the executor's conclusion that the estate qualified for such election. If a taxpayer makes an election described in this paragraph (1), then the special 4-percent interest rate of section 6601(j) and the 5-year deferral of principal payments of section 6166(a)(3) are not available. Thus, the first installment of tax is due on the date prescribed by section 6151(a) and subsequent installments bear interest at the rate determined under section 6621. If the executor makes an election described in this paragraph (1) and the notice of election under section 6166 fails to state the amount of tax to be paid in installments or the number of installments, then the election is presumed to be for the maximum amount so payable and for payment thereof in 10 equal annual installments, beginning on the date prescribed in section 6151(a). The elections described under this paragraph (1) are available for estates of decedents dying after July 18, 1984.

(m) *Subchapter S election by commodities dealers and options dealers.* This paragraph applies to a commodities dealer or options dealer referred to in section 102(d)(3) of the Act (relating to the election by such a dealer to be an S corporation) whose taxable year is the calendar year and that was a small business corporation (as defined in section 1361(b) of the Code) as of January 1, 1984. The election by such a dealer under section 102(d)(3) of the Act shall be made in the manner prescribed by section 1362 and the regulations thereunder, except that the election under section 102(d)(3) must be made before October 2, 1984. In addition to making the election in the manner prescribed under such section 1362 and the regulations thereunder, the commodities dealer or options dealer must indicate on Form 2553 that the election is made under section 102(d)(3) of the Act. Although section 102(d)(3) of the Act ap-

plies to dealers not covered by this paragraph, and such dealers may make an election under such section 102(d)(3), guidelines for making such an election are not provided in this paragraph and are forthcoming.

(n) *Election with respect to treatment of S termination year.* For the election provided under section 1362(e)(3), as amended by section 721(h) of the Act, see § 18.1362-4 of this chapter.

(o) *Election to be an S corporation; certain short taxable years.* For the election provided under section 1362(b), as amended by section 721(l) of the Act, see § 18.1362-1(b) of this chapter.

(p) *Election with respect to subchapter S passive investment income rules.* For the election provided under section 721(i) of the Act which amends section 6(b) of the Subchapter S Revision Act of 1982, see § 18.1362-5 of this chapter.

(q) *Election with respect to subchapter S distributions during certain post-termination transition periods.* For the election provided under section 1371(e), as amended by section 721(o) of the Act, see § 18.1371-1 of this chapter.

(r) *No elections for closed year.* Any election under this section which is allowed to be made by filing an amended return may only be made if the period for making a claim for refund or credit with respect to the taxable year for which such election is to be effective has not expired. This paragraph shall not apply to the election under paragraph (a)(2)(iv) of this section with respect to the election under section 1078 of the Act.

(s) *Additional information required.* Later regulations or revenue procedures issued under provisions of the Code or Act covered by this section may require the furnishing of information in addition to that which was furnished with the statement of election described herein. In such event the later regulations or revenue procedures will provide guidance with respect to the furnishing of such additional information.

[T.D. 7976, 49 FR 35487, Sept. 10, 1984; T.D. 7976, 49 FR 43640, Oct. 31, 1984; 49 FR 43951, Nov. 1, 1984, as amended by T.D. 8062, 50 FR 46004, Nov. 6, 1985. Redesignated by T.D. 8435, 57 FR 43895, Sept. 23, 1992]